



**Carers Victoria submission
Residential Tenancies Act Review
Laying the Groundwork – Consultation Paper
August 2015**

Carers Victoria

August 2015

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About Carers Victoria

Carers Victoria is the state-wide peak organisation representing those who provide care. We represent more than 700,000 family carers across Victoria – people caring for a person with a disability, mental illness, chronic health issue or someone with an age-related condition. The people being cared for could be a parent, child, spouse, grandparent or a friend.

Carers Victoria is a member of the National Network of Carers Associations, as well as the Victorian Carer Services Network. Carers Victoria is a non-profit association which relies on public and private sector support to fulfil its mission with and on behalf of carers.

Carers Victoria is a membership-based organisation. Our members primarily consist of family carers, who play an important role in informing our work, contributing to advocacy and strategic aims, and distributing information more widely to other carers.

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Introduction

Carers Victoria welcomes the opportunity to provide input to the Victorian Government in response to the consultation paper 'Laying the Groundwork' (the consultation paper) released in June 2015.

The consultation paper outlines the changing characteristics and trends in the Victorian rental market and invites views and comments on these characteristics and trends, as well as responses to the questions posed throughout the paper.

Background – carers and the role of Carers Victoria

Carers¹ provide unpaid care and support to a family member or friend needing assistance with a disability, mental illness, chronic health condition or age-related frailty. Carers come from all walks of life, across all age groups and all cultures. Not all carers identify themselves as carers, and may instead identify themselves in terms of their family and friend relationships.

There are an estimated 773,400 informal carers in Victoria, which is 13.6% of the Victorian population. Of these, 217,800 (3.8% of the Victorian population) are primary carers, defined as providing the majority of ongoing care to the person requiring assistance². Women are more likely to be carers than men, with 70 per cent of primary carers being women.

Carers Victoria supports caring families through information, online and face to face training and education programs, respite support, counselling and systemic advocacy. Carers Victoria had 28,545 interactions with carers through our carer advisory line, counselling and other support services during 2013-14.

The cost of providing care

In a report prepared for Carers Australia by Access Economics, it was estimated that in 2010 informal carers in the community provided 1.32 billion hours of care in Australia. Access Economics conservatively estimates it would cost \$40.9 billion per year if all informal community care was delivered through formal care systems³.

Caring can have negative effects on the carers' own financial situation, retirement security, physical and emotional health, housing arrangements, social networks and career. The impact is particularly severe for carers of people who have complex chronic health conditions and both functional and cognitive impairments.

¹ The terms 'carers', 'family carers' and 'caring family/ies' used in this submission includes the diverse range of people in care relationships, including carers and people receiving care in same-sex families, 'families of choice', friends and others who provide unpaid care.

² Australian Bureau of Statistics (2013) *2012 Survey of Disability, Ageing and Carers*, Cat. No. 4430.0.

³ Access Economics (2010) *The Economic Value of Informal Care in 2010*, Carers Australia.

Recommendations

Recommendation 1: As part of this Review, the Victorian Government releases an Issues Paper to examine the specific needs and protections for tenants with caring responsibilities, including caring families who do not necessarily reside in the same property or same tenure type.

Recommendation 2: That the Review acknowledge that private rental housing costs continue to increase over time in contrast to housing costs for people in owner occupation, and can particularly disadvantage households on fixed incomes.

Recommendation 3: That the Review consider the future housing needs of people with disability who live with their family, possibly as part of the Issues Paper on protections for tenants with special needs. This should include consideration of the current and future housing needs of adults with disability who live at home with older parent carers.

Recommendation 4: That the Review consider ways to support ageing in place for older people living in private rental, who can be at risk of premature admission into residential aged care, possibly as part of the Issues Paper on protections for tenants with special needs. This should include consideration of the current and future housing needs of older parent carers who are caring for an adult with disability.

The impact of the changing housing context for caring families

Access to appropriate and affordable housing is a key issue for many caring families. Families with caring responsibilities are concerned about affordable housing for the person they are caring for, but can also be affected themselves by a lack of affordable housing because of their reduced workforce participation and the increased costs as a result of their caring responsibilities.

Caring can be lifelong, the nature and intensity of caring responsibilities can fluctuate over time and can compound long-term disadvantage over the lifecycle, including in retirement. Caring families may not be able to accumulate assets during their working life, and as a result may not be able to enter into home ownership, or maintain their home ownership status. AHURI research⁴ has found that carers of people with disability are more likely to fall out of homeownership and into rental due to relationship breakdown.

Data from the ABS 2012 Survey of Disabilities, Ageing and Carers (SDAC) shows that carers are more likely to own their own home without a mortgage (Table 1). However this is likely to reflect the existing age structure of the current caring population (Chart 1) given home ownership rates increase with age (Chart 2).

The impact of caring on home ownership can be seen in the younger age groups. Data from the ABS⁵ showing that carers aged 15 to 34 years of age are less likely to own their own home (with or without a mortgage) (37%) than people without caring responsibilities of the same age (44%).

Table 1: Housing tenure status, by carer status, all carers, 2012 (per cent)

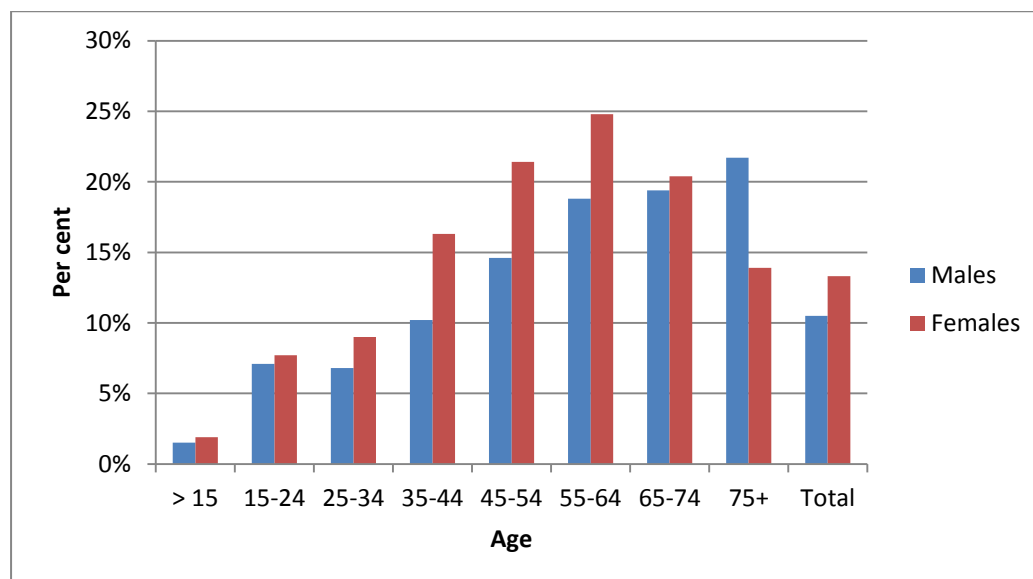
	Total carers	Not a carer	Total
Housing tenure			
Owner without a mortgage	34.8%	26.3%	27.7%
Owner with a mortgage	32.1%	33.5%	33.1%
Renter			
State or territory housing authority	3.2%	2.2%	2.5%
Other landlord	16.3%	23.9%	22.9%
Boarder	5.2%	4.6%	4.6%
Rent free	6.2%	7.4%	7.2%
Other	1.1%	0.9%	1.0%
Lives in a non-private dwelling	1.0%	1.1%	1.1%
Total (may not add to 100% due to rounding)	100%	100%	100%

Source: ABS data tables (National), 2012 Survey of Disability, Ageing and Carers

⁴ Beer, A. and Faulkner, D. (2008) *The housing careers of people with a disability and carers of people with a disability*, Australian Housing and Urban Research Institute.

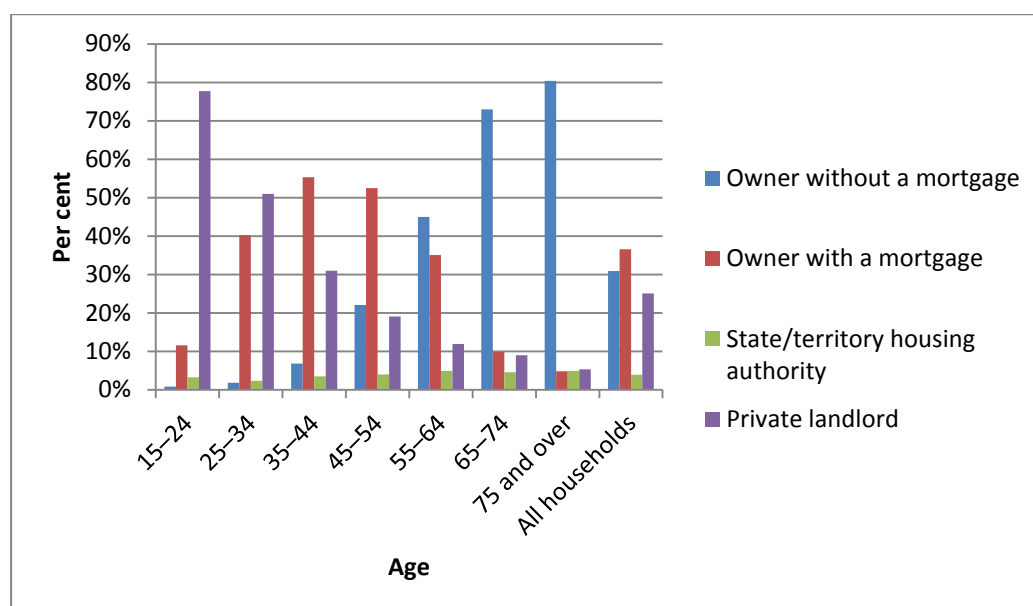
⁵ ABS (2008) *A profile of carers in Australia*.

Chart 1: Percentage of Australian population who are carers, by age and sex, 2012



Source: ABS data tables (National), 2012 Survey of Disability, Ageing and Carers

Chart 2: Percentage of Australian households by age and tenure type, 2011-12



Source: ABS data tables (National), 2011-12, Survey of Income and Housing

Older parent carers of people with disability and future housing needs

Families are the primary source of housing and housing assistance for adults with disability⁶, and the number of people with disability living with their parents is projected to increase between 2010 and 2040⁷. However, families receive minimal targeted government assistance in this regard. While most adults will choose to leave their family home at some stage, for many adults with disability this is not an option because affordable housing and support are not available, including options to live in private rental. Carers and in particular older parent carers can experience acute anxiety about what will happen when they are not able to provide care and/or housing due to their own ill health or after their death⁸. Many older parent carers find planning for the future a difficult and multifaceted task, especially when there are limited housing options (including options to live in private rental) and limited financial means to obtain support.

Caring families can reside in separate properties and in different tenure types

As outlined above, families are the primary source of housing (and housing assistance) for adults with a disability, but receive minimal targeted government assistance in this regard. However, not all caring families reside in the same property, with some caring families residing in multiple residential properties across different tenure types. The complex and conflicting interaction between the different eligibility rules for public housing, rent assistance, taxation arrangements and social supports based on tenure can significantly impact on the family. This can lead to situations where the eligibility rules are determining choices, rather than the most suitable arrangement that would meet the caring needs and responsibilities of the family, including avoidable early entry into residential age care.

Carers have lower engagement with the workforce

It is concerning that carers in Victoria who are working age (15-64 years) have higher rates of unemployment and lower workforce participation rates than those who are not carers (Table 2). This means working age carers are less able to meet the requirements to qualify and sustain a mortgage over their working life, and have reduced capacity to save for retirement. The recent Productivity Commission report '*Superannuation Policy for Post-Retirement*' showed that around half of Australians who retired between the ages of 45 and 70 did so involuntarily, with a dominant factor being either individual ill health or the ill health of a spouse or family member. Around 28 per cent of men and 25 per cent of women aged 60-64 who retired did so because of caring responsibilities or poor health. Importantly for this submission, those who retired involuntarily had lower levels of accumulated assets than voluntary retirees⁹.

Given that home ownership is considered the 'fourth pillar' of retirement income policy in Australia¹⁰, caring can be associated with a potential future of lifetime renting, and in the current housing context this is most likely to be in the private rental sector. While

⁶ Australian Institute of Health and Welfare (AIHW) (2008) Disability in Australia. In 2003, 97.5% of people with severe and profound limitations under 65 lived in the community, and of these, 84% lived with family.

⁷ Qu. L., Edwards, B., and Gray, M. (2012) Ageing parent carers of people with a disability, AIFS and Carers Victoria, Melbourne

⁸ et al.

⁹ The Productivity Commission used data from the 2011 wave of the HILDA Survey.

¹⁰ Yates, J., and Bradbury, B. (2010) 'Home ownership as a (crumbling) fourth pillar of social insurance in Australia', *Journal of Housing and the Built Environment*, Vol 25, No 2, pages 193-211.

housing costs for owner occupation decrease over time as the mortgage is paid off over many years and incomes increase, housing costs in private rental continue to rise over time and can particularly disadvantage those households on fixed incomes.

Table 2: Unemployment rate and participation rate, by carer status, Victoria, 2012

	Carers	Not a carer	Total
Unemployment rate	8.7%	5.2%	5.7%
Participation rate	56.9%	69.3%	67.3%

Source: ABS data tables (Victoria), 2012 Survey of Disability, Ageing and Carers.

Note: The participation rate is the number of people in the labour force. This is calculated by adding the number of people employed (full and part time) plus the number of people who are unemployed expressed as a percentage of the population aged 15 to 64 years of age.

While carers are less likely to be participating in the workforce, for those primary carers¹¹ in Victoria who are in the workforce they are less likely to work full time, and more likely to work part time (Table 3).

Table 3: Labour force status, by carer status, Victoria, 2012 (per cent)

	Primary Carers	Carers	Not a carer	Total
Employed full-time	16.8%	31.0%	44.0%	41.8%
Employed part-time	20.3%	21.2%	21.8%	21.7%
Underemployed	2.0%	4.3%	4.9%	4.7%
Total employed	37.2%	52.4%	65.7%	63.5%

Source: ABS data tables (Victoria), 2012 Survey of Disability, Ageing and Carers.

Note: A person is considered underemployed if they: are employed; usually work 34 hours or less per week; would like a job with more hours; and are available to start work with more hours if offered a job in the next four weeks.

Carers are more likely to have government pensions or allowances as their primary source of income; compared to those who are not carers whose primary source of income is more likely to be wages or salary (Table 4).

Table 4: Primary source of income, by carer status, Victoria, 2012 (per cent)

	Carers	Not a carer	Total
Wages or salary	41.9%	55.7%	53.5%
Unincorporated business income	4.4%	5.2%	5.1%
Government pension or allowance	37.7%	20.6%	23.4%
Other	10.5%	8.7%	8.9%
Not stated	5.8%	9.9%	9.2%

Source: ABS data tables (Victoria), 2012 Survey of Disability, Ageing and Carers.

Table 5 shows that Victorian carers have lower median gross personal income than those who do not have caring responsibilities.

Table 5: Median gross personal income per week, Victoria, by carer status, 2012 (\$AUD)

	Carers	Not a carer	Total
Median gross personal income	\$443	\$575	\$537

Source: ABS data tables (Victoria), 2012 Survey of Disability, Ageing and Carers.

¹¹ Primary carers are carers who provide the most substantial amount of care to another individual.

The resulting impact for caring families on their housing opportunities

The data presented in tables 1 through to 5 demonstrate the economic disadvantage experienced by carers that will affect their ability to access affordable, stable, suitable and secure housing in the private sector, whether this is through home ownership or the private rental market.

In addition, caring families who are caring for a person with disability can face discrimination because of the person they are caring for, or because they have an income source associated with their disability¹². Caring families may require modifications to residential properties which can be challenging in the private rental sector, either because the landlord will not allow modifications, or because paying for modifications is not viable when the length of tenure is short or uncertain.

Regulatory and policy framework

The principles of the current *Residential Tenancies Act 1997* demonstrate that the intention is for the private rental market to meet the needs of tenants and landlords who have straightforward and simple interactions in a market context where neither party is disadvantaged or discriminated against.

However, as acknowledged in the Consultation Paper, the private rental sector is playing an increasingly important role in meeting the housing needs of households who would have previously been residing in owner occupation or social housing. These tenure types are (usually) more secure than private rental and can offer more control and security. Increasingly households are living in private rental whether by choice, unaffordability or other circumstances over the longer term, even though private rental tenure has previously been considered a more temporary housing arrangement.

For carers who reside in private rental housing whether over the short or long term, this form of tenure can be unaffordable, unavailable and unstable. As demonstrated by Wulff et al¹³, even when private rental is affordable on the basis of straightforward affordability measures, these properties can be unavailable as they are rented by households on higher incomes.

Research by Stone et al¹⁴ demonstrates that private rental tenants are more likely to be subjected to involuntary moves, and for families with caring responsibilities this can be particularly stressful, costly and damaging to existing informal and formal social support arrangements. As presented in the Consultation paper, around one in four investors exit the residential property market within a year. This can lead to instability in the private rental sector in a time when a greater number of households are living in the sector over the longer term.

These characteristics present challenges for the reform of the rental sector. Those who are most able to operate in the market are more likely to receive higher quality and more stable rental arrangements that are suitable for their needs. For those who are

¹² Victorian Equal Opportunities and Human Rights Commission (2012) *Locked Out: Discrimination in Victoria's private rental market*.

¹³ Wulff, M., Dharmalingam, A., Reynolds, M. and Yates, J. (2009) Australia's private rental market changes (2001-2006) in the supply of, and demand for, low rent dwellings. AHURI.

¹⁴ Stone, W., Burke, T., Hulse, K., and Ralston, L. (2013) *Long term private rental in a changing Australian private rental sector*, AHURI.

tenants and particularly for tenants with special needs, including carers, protections will be required to ensure their rights are upheld and that the private rental market functions in a way that meets their needs.

Recommendations

The information, background and data presented in this submission leads to Carers Victoria making the following recommendations to the Victorian Government for the Residential Tenancies Act Review.

Recommendation 1: *As part of this Review, the Victorian Government releases an Issues Paper to examine the specific needs and protections for tenants with caring responsibilities, including caring families who do not necessarily reside in the same property or same tenure type.*

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